PROPOSAL FOR ADOPTION OF NEW
WWTU BILLING ADMINSTRATIVE PRACTICES

1. <u>Bill one month in arrears of service, instead of two months in arrears.</u> Except for 30 well customers and Purdue, all wastewater customers are billed for services based on meter size and water consumption as reported by Indiana American Company. The current process of obtaining water meter readings and generating bills results in a two month lag (Example: The February bill is based upon December water usage). To minimize the resulting confusion, we plan to gradually convert WWTU customers to a billing schedule which reduces this delay to 30 days, more in line with standard industry practices. An accelerated billing schedule over the next six months with billing in 3-week intervals instead of billing in monthly intervals will institute this change with the least amount of impact on our customers.

Background: Currently the WWTU service is billed two months in arrears of consumption because the manual process prior to 2007 required an additional month for the WWTU billing staff to enter consumption information. In 2007, the Indiana Water Company declined to continue to provide water consumption information in hardcopy print to the WWTU billing office, instead making that information only available by data file. The WWTU billing office then automated the upload of consumption information but made no changes to billing practices. The long lag between usage and billing results is a detriment to both customers and the WWTU because of increased costs to manage accounts and lack of timely information on account status for customers and property owners. There is additional cost to provide customer service for the WWTU billing office because customers cannot directly relate the water billings and the WWTU billings. There are also additional costs for both the WWTU billing office and landlords in collecting past due accounts. At the end of a lease, landlords must return security deposits within 45 days, 15 days before the tenant is even billed for WWTU services for that period. While the collection method of last resort is placement of property liens, this is an expensive and time-consuming process for all involved. Among other inconveniences to customers is that customers do not receive timely information which would alert them to changes in usage (e.g. leaks, malfunctioning plumbing) and help them avoid financial loss. The WWTU bill is significantly higher than the water bill and not infrequently a customer will first react to a high WWTU bill rather than to a water bill. In addition, customers with new accounts are confused when there is no WWTU billing for over two months after service is begun. Some customers do not realize that they owe any City WWTU charges since new accounts are set up only through the Indiana American Water Company.

The disparity between consumption period and billing period increases customers' confusion about the service period eligible for summer sewage rate. For example, residents who have summer sewage rate in September receive their bill in November and pay in December. The new letter format bill and e-bill provide beginning and ending usage dates. This data has always been available on the data

file provided by the water company but information was not previously uploaded for printing on the billing postcard.

2. New accounts eligible for summer sewage rate with no previous usage (new residence, new occupant) will be billed at the lesser of the unmetered residential rate which is based upon 8,000 gallons per month or actual usage. The current informal practice is to bill new accounts with no previous usage at the lesser of the minimum charge which is based upon 3,000 gallons per month or actual usage. The result is that rental houses that have new lessees in August were billed at the minimum charge, only 3,000 gallon usage, during the summer sewage period. This has resulted in a revenue loss to the WWTU and provided an unwarranted discount to new accounts. Oftentimes, the first bill new tenants would receive based on actual usage would be December or even January.

3. Notify the Board of Works of the summer sewage rate start date. This year the summer sewage rate is beginning for usage effective approximately May 20, 2009 and will extend for 3 months. The summer sewage rate by City Code is effective for service during the months of June, July, and August. The summer sewage rate is calculated based on the average usage for the months of December, January, and February. Customers are to be billed at the lesser of the summer sewage rate or actual usage for the months of June, July, and August. As in prior years, the summer sewage rate is implemented as close to June 1 as possible. The WWTU billing cycle is based on the Indiana American meter reading cycle which takes one month to cover the City. The summer sewage rate is applied to each of the 4 billing sections sequentially over a month-long period. From time to time the Board of Works is asked to extend the summer sewage rate for one month in the fall because of dry weather.

4. Establish a policy on meter loans to customers. Set the time limit for a loan of a water meter to be used for recording non-sewer water consumption during pool filling or during landscape establishment to 60 days. Limit meter loans to one per customer. The meter is loaned at no charge to the customer but a $100 fee to cover the cost of the meter and labor to attach access hoses will be charged to the wastewater account in the case of non-return of the meter.

Background: The WWTU currently has 10 meters available for loan. Eliminate the informal practice of allowing meters on loan for years upon receipt of $25 personal checks as a deposit.

Proposed Billing Schedule

SECTION	SERVICE DATES	BILL DATE	DUE DATE	
#1	March 5 - April 5	May 7	May 28	
#2	March 15 - April 15	May 14	June 4	
#3	March 20 - April 20	May 21	June 11	
#4	March 30 - April 30	May 29	June 18	begin adjusted billing schedule
#1	April 5 - May 5	June 5	June 25	
#2	April 15 - May 15	June 12	July 2	
#3	April 20 - May 20	June 19	July 9	
#4	April 30 - May 20	June 26	July 16	
#1	May 5 - June 5	July 1	July 22	
#2	May 15 - June 15	July 8	July 29	SUMMER SEWAGE RATE
#3	May 20 - June 20	July 15	August 5	SUMMER SEWAGE RATE
#4	May 30 - June 30	July 22	August 12	SUMMER SEWAGE RATE
#1	June 5 - July 5	July 29	August 19	SUMMER SEWAGE RATE
#2	June 15 - July 15	August 5	August 26	SUMMER SEWAGE RATE
#3	June 20 - July 20	August 12	September 2	SUMMER SEWAGE RATE
#4	June 30 - July 30	August 19	September 9	SUMMER SEWAGE RATE
#1	July 5 - August 5	August 26	September 16	SUMMER SEWAGE RATE
#2	July 15 - August 15	September 2	September 23	SUMMER SEWAGE RATE
#3	July 20 - August 20	September 9	September 30	SUMMER SEWAGE RATE
#4	July 30 - August 30	September 16	October 7	SUMMER SEWAGE RATE
#1	August 5 - September 5	September 23	October 14	
#2	August 15 - September 15	September 30	October 21	
#3	August 20 - September 20	October 6	October 28	
#4	August 30 - September 30	October 13	November 4	
#1	September 5 - October 5	October 20	November 11	
#2	September 15 - October 15	October 27	November 18	
#3	September 20 - October 20	November 3	November 26	
#4	September 30 - October 30	November 10	December 2	achieve monthly billing cycle
#1	October 5 - November 5	November 17	December 9	
#2	October 15 - November 15	November 24	December 16	
#3	October 20 - November 20	December 1	December 23	
#4	October 30 - November 30	December 8	December 30	
#1	November 5 - December 5	December 15	January 7	
#2	November 15 - December 15	December 22	January 14	
#3	November 20 - December 20	December 29	January 21	
#4	November 30 - December 30			

Current Billing Schedule

SECTION	SERVICE DATES	BILL DATE	DUE DATE
#1	March 5 - April 5	May 7	May 28
#2	March 15 - April 15	May 14	June 4
#3	March 20 - April 20	May 21	June 11
#4	March 30 - April 30	May 28	June 18
#1	April 5 - May 5	June 4	June 25
#2	April 15 - May 15	June 11	July 2
#3	April 20 - May 20	June 18	July 9
#4	April 30 - May 30	June 25	July 16
#1	May 5 - June 5	July 2	July 23
#2	May 15 - June 15	July 16	August 6
#3	May 20 - June 20	July 23	August 13
#4	May 30 - June 30	July 30	August 20
#1	June 5 - July 5	August 6	August 27
#2	June 15 - July 15	August 13	September 3
#3	June 210 - July 20	August 20	September 10
#4	June 30 - July 30	August 27	September 17
#1	July 5 - August 5	September 3	September 24
#2	July 15 - August 15	September 10	October 1
#3	July 20 - August 20	September 17	October 8
#4	July 30 - August 30	September 24	October 15
#1	August 5 - September 5	October 1	October 22
#2	August 15 - September 15	October 15	November 5
#3	August 20 - September 20	October 22	November 12
#4	August 30 - September 30	October 29	November 19
#1	September 5 - October 5	November 5	November 26
#2	September 15 - October 15	November 12	December 3
#3	September 20 - October 20	November 19	December 17
#4	September 30 - October 30	November 25	December 24
#1	October 5 - November 5	December 3	December 31
#2	October 15 - November 15	December 17	January 7
#3	October 20 - November 20	December 24	January 14
#4	October 30 - November 30	December 31	January 22
#1	November 5 - December 5	January 7	January 28
#2	November 15 - December 15	January 14	February 4
#3	November 20 - December 20	January 21	February 11
#4	November 30 - December 30	January 28	February 18